

**Recommendations on Problems Identified Based on Transit Corridor Cost Analysis Implemented by Trade Facilitation and Investment Project with Participation of Associations of Road Carriers of Kazakhstan, Kyrgyzstan and Tajikistan**

№	Constraint	Constraint Description	Legislative Act	Recommendations
1.	Requirement of the RF Customs Service (Kurgan and Novosibirsk oblasts) on mandatory medical insurance	This requirement of the customs service will result in cargoes delay at the border and nonofficial payments	In compliance with p. 3 “Provision for medical insurance of foreign citizens temporary staying within the Russian Federation territory” approved by the RF Government Decree N1488 dated 11.12. 98 this requirement <b>does not apply to</b> Kazakhstan and Kyrgyzstan citizens and turns up to be violation made by the controlling bodies.	1. Bring the provisions of current laws to information of border controlling officials. 2. Inform carriers for the purpose to avoid repeated stopping, inspections, and delay of transport vehicles by placing copies of rules in force to the information stands.
2.	Presentation of medical certificate (form #3) or other document confirming medical checkup passed <b>when entering and within the RF territory</b> .	The carrier has to seek for the nearest medical center to get medical checkup passed through that results in delay of the vehicle at the customs post. The medical certificate requirement by the customs service will result in cargoes delay at the border and nonofficial payments.		
3.	Mismatch of weight restrictions in CIS countries.	According to“ Agreement on Weights and Sizes of the Road Vehicles Performing International Transportations Within the CIS Countries” different weight and size parameters are used within the CIS countries (maximum weight of six-wheeled truck trailer with three-axle semitrailer in Uzbekistan – 40 tons, in Kazakhstan –38 tons, and in Russia – 38 tons). Difference between weight and size parameters is a constraining factor when transporting cargo to/from European countries, where maximum	“ Agreement on Weights and Sizes of the Road Vehicles Performing International Transportations Within the CIS Countries” (Minsk, June 4, 1999);	1. Take actions to exercise control over implementation of “ Agreement on Weights and Sizes of the Road Vehicles Performing International Transportations Within the CIS Countries”; 2. Provide timely information awareness of the carriers on temporary changes in weight and size limits of transport vehicles used within CIS countries (in short

		weight of the transport vehicle (six-wheeled truck trailer with three-axle semitrailer) is 40 tons. Seasonal variations of transport weight and size limits on specific motor roads or some parts of roads due to weather condition and deterioration make the situation worsen. This provision increases risk that the norms established within CIS will be exceeded. Thus, if the carriers have excess weight over the established norms while being within RoK and RF they have to pay fine and obtain the special permit (see p. 5 below) that results in considerable expenses incurred by the carriers.		term perspective); 3. Unify the weight and size parameters based on generally accepted international EC standards (in long term perspective).
4.	Obtaining of special permit for transportation of goods exceeding the standards established in the Russian Federation.	If the cargo's weight exceeds the standard established in RF the carrier is allowed neither importing nor transiting goods via RF territory without special permit. Execution of such special permits for transportation of large-sized and heavy cargos, collection and processing of application, obtaining of approvals and providing the carriers with them, as well as calculation of payment for heavy cargoes transportation within RF are performed by the "International Transportation Center under the RF Ministry of Transport", which is located in Moscow. In order to get the special permit the driver has to leave the cargo at the border and travel to Moscow. It takes 2 weeks to obtain the permit (!). During this time the cargo is staying at the border. Also, the carrier incurs time and financial costs (traveling expenses to Moscow, accommodation and payment for permit issue). As an alternative, the carrier is suggested to reload the cargo to the Russian vehicle that will deliver it to destination place, which also make the carrier pay additional costs.	"Agreement on Weights and Sizes of the Road Vehicles Performing International Transportations Within the CIS Countries" (Minsk, June 4, 1999);	Issue of special permits by regional subdivisions (at the customs posts?)
5.	"Green Corridor" doesn't work (the project is still at the approval phase)			Take actions to implement the "Green Corridor" system

6.	Stopping and inspection of transport vehicles by mobile traffic patrols within the RoK territory.	Due to numerous “stopping” and inspections the carriers incur time and financial expenses as well as damage of perishable goods.	<p>1. Violation of Instructions for the RoK MIA traffic patrols approved by the order N789 issued by the RoK Minister of Internal Affairs dated December 14, 2002. In particular, p. 9, subp.83 specifies that <b>reason for the vehicle</b> to be “pulled over” shall be “inspection of documents for the right to use and drive the transport vehicle as well as documents for the transport vehicle and cargo transported, which <b>can be exercised only on the stationary traffic police posts and checkpoints</b>”.</p> <p>2. It contradicts to p. 1 of order N384 “On Measures to Remove Conditions Hindering Uninterrupted Transportation of Agricultural Goods” issued by acting Minister of Internal Affairs of the Republic of Kazakhstan dated June 27, 2005, which prohibits “stopping, inspection and delay of the transport vehicles transporting fruit, vegetables and meat products to the markets” and removes “cases of illegal access impeding to the trading areas for rural and other agricultural producers”.</p>	Bring the orders and instructions in force to information of traffic police officials and carriers in order to avoid numerous stoppage, inspections and delay of transport vehicles transporting goods.
7.	Noncompliance with TIR Carnet Convention principles	The carriers used TIR carnet face numerous thorough inspections at the intermediary customs.	This provision contradict TIR Carnet principles in particular Article 5, which specifies that customs inspection of cargoes can be exercised in exceptional circumstances and in case of any suspected violations.	<p>1. Raise information awareness of controlling officials in regard to TIR Carnet principles.</p> <p>2. Make recommendations to national guaranteeing organizations to monitor implementation of TIR Carnet in practice.</p>
8.	No procedure for recognition of the unified international weight certificate for cargo transport vehicles	According to the carriers the cargoes are weighted at each border checkpoints within the RoK and RF. The carriers incur additional time and money costs.	<p>1. The “Agreement on Introduction of International Vehicle Weight Certificate Within CIS Countries” was signed but not ratified in Kazakhstan.</p> <p>2. Numerous weighting contradict provisions of “International Convention on the Harmonization of Frontier Controls of Goods (Geneva, October 21, 1982)” Annex 6, Article 3.3, in compliance</p>	1. Take actions to speedy accedence and ratification as well as control over implementation of “Agreement on Introduction of International Vehicle Weight Certificate Within CIS Countries” by CIS countries. The RoK Government Decree N436 dated

			<p>with which the Contracting Parties shall endeavor to reduce, as far as possible, the physical controls en route of perishable goods subjected to quality control, and Article 3.4 - the Contracting Parties shall organize quality control, harmonizing wherever possible the procedures of the service responsible for this control with those of any services responsible for other controls and inspections. According to Article 4, Annex 6 - Quality controls do not normally apply to goods in through transit.</p> <p>3. This provision also contradicts Article 6 of “Agreement on Transit Procedure through CIS Countries” (dated 06.04.99, Minsk), according to which customs bodies of parties shall mutually recognize national identification signs and documents required for control of goods transported.</p>	<p>May 6, 2005 approved this Agreement subject to proviso. The main goal of this Agreement is issue of certificates to simplify border-crossing procedures by avoiding numerous weighting of transport vehicles within the territories of countries ratified the Agreement (Article 2.2.). According to this Agreement (Article 3.1.) the parties shall mutually accept and recognize the certificates issued by on of the parties. The authorized bodies can check weight of the transport vehicle in specific cases established by the Agreement (Article 1).</p> <p>2. Take actions to speedy accedence and ratification as well as control over implementation of “Agreement on Transit Procedure through CIS Countries” (dated 06.04.99, Minsk) by CIS countries.</p> <p>3. Bring the legislative documents in force to information of carriers in order to ensure observance of provisions and avoid numerous inspections of goods quality as well as raise information awareness of the carriers in regard to their rights and liabilities established by the documents stated.</p>
9.	Non-recognition of quality certificates of goods	The carriers cited that at the RF border checkpoints their cargoes are inspected with samples taken to control quality conformity of goods, specified in quality certificate and then a new certificate is issued. Due to this procedure the carriers incur time and financial costs.	1. This provision contradicts principles of the International Convention on the Harmonization of Frontier Controls of Goods (Geneva, October 21, 1982) Annex 6, Article 3.3, in compliance with which the Contracting Parties shall endeavor to reduce, as far as possible, the physical controls en route of perishable goods	1. Take actions to speedy accedence and ratification as well as control over implementation of “Agreement on Transit Procedure through CIS Countries” (dated 06.04.99, Minsk) by CIS countries.

			<p>subjected to quality control, and Article 3.4 - the Contracting Parties shall organize quality control, harmonizing wherever possible the procedures of the service responsible for this control with those of any services responsible for other controls and inspections. According to Article 4, Annex 6 - Quality controls do not normally apply to goods in through transit.</p> <p>2.Non-recognition of quality certificate contradicts the Rules for recognition of foreign conformity certificates, signs, test reports and other conformity documents. (approved by the order N119 issued by chairperson of Committee on Technical Regulation and Metrology under the RoK Ministry of Industry and Trade dated April 22, 2005, p. 1)</p> <p>4.This requirement also contradicts Article 6 of “Agreement on Transit Procedure through CIS Countries” (dated 06.04.99, Minsk), (<b>who signed and ratifies it as for today?</b>) according to which customs bodies of parties shall mutually recognize national identification signs and documents required for control of goods transported.</p>	<p>2. Bring the legislative documents in force to information of carriers in order to ensure observance of provisions and avoid numerous inspections of goods quality as well as raise information awareness of the carriers in regard to their rights and liabilities established by the documents stated.</p>
10.	Inadequate system of permit issue.	Agreement between Governments of Kyrgyzstan and Russia on International Road Communications dated April 16, 2002 (article 9).	Russian Federation issue 500 permits for Kyrgyzstan per year whereas 3,000 permits are required. Efforts to discuss this problem with the RA officials have no effect.	Discuss this issue with the working group under Eurasian Economic Community. In long –term perspective, develop Agreement of CIS countries, which will cancel permitting system and charging transit payment.
11.	Duplicating functions of the controlling bodies. Veterinary /phytosanitary, sanitary and epidemiological control is executed at the RoK border with no specially equipped centers (no labs);	The RoK Law “On Veterinary”; the RoK Law “On Plant Quarantine”; International Convention on the Harmonization of Frontier Controls of Goods (Geneva, October 21, 1982).	Contradiction to principles of the International Convention on the Harmonization of Frontier Controls of Goods (Geneva, October 21, 1982). Annex 2. Article 3, 4. Annex 4. Article 4, 5	Remove duplicating; ensure compliance with the requirements and principles of the Convention by its members.

	Repeated inspection is performed in the intermediary customs.			
12.	Duplicating functions of the RoK controlling bodies.	The RoK Government Decree N 62 “Some Issues Regulating Motor Vehicles Transit via Territory of the Republic of Kazakhstan” dated January 19, 2002 (with amendments introduced by the RoK Government Decrees N1306 dated 24. 12. 03 and N39 dated 20.01.05).	According to the RoK Government Decree N62 Transport Control Bodies are authorized to perform control over weights and sizes of trucks. At present, measurements are made by both transport control and customs bodies and in this regard the latter have all equipment for precise measurements (“Khorgos” customs checkpoint).	Assign these functions to the Transport Control Bodies only; eliminate duplication of functions.
13.	Improvement of the customs posts/checkpoints infrastructure		A number of RoK customs checkpoints are not properly equipped (no fence roof) that increase damage risk of soon-rotting products.	Improve the infrastructure of customs posts/ checkpoints by providing separate lines for commercial goods and goods subject to simplified procedure and TIR Carnet.
14.	High tariffs of mandatory vehicle insurance in the RF.		Costs of insurance policy in the RoK and RF are different. The RF insurance policy costs several times higher than the Kazakhstani one.	It is required to have concurrent insurance practice in the adjacent countries as one of the ways to harmonization of legislative and regulatory framework in CIS countries in regard to transport vehicles.